

The Utah Budget

What We'll Cover

- ▶ Definitions
- ▶ Utah's Current Budget
- ▶ Process
- ▶ Economy, Risks, and Rewards
- ▶ Revenue and Reserves



Definitions

(YOU'RE FEELING SLEEPY. VERRRRY SLEEEEPY.)

Some Terms

Budget

- ▶ Plan of expenditures for a given period.
- ▶ It's an estimate – subject to change by appropriators and by the executive.
- ▶ Utah's must be balanced – “For any fiscal year, the Legislature may not make an appropriation or authorize an expenditure if the State's expenditure exceeds the total tax provided for by statute and applicable to the particular appropriation or expenditure.”

Fiscal Year

- ▶ Time period for which we budget.
- ▶ Utah's starts July 1 and ends June 30.
- ▶ The fiscal year number is the calendar year in which a fiscal year ends (FY 2022 starts July 1, 2021 and ends June 30, 2022).
- ▶ We're budgeting for two fiscal years each General Session – the current fiscal year and the next fiscal year.

Some Terms

“All Source”

- ▶ Budget from all sources of revenue.
- ▶ Largest source is Federal funds.
- ▶ Includes GF/EF.
- ▶ Includes restricted revenue like gas tax and education property tax.
- ▶ Includes fees, fines, and other collections.

“GF/EF”

- ▶ General Fund and Education Fund
- ▶ GF = Sales Tax (etc.)/EF = Income Tax
- ▶ Free revenue over which the Legislature has broad discretion.
- ▶ This is largely what advocates compete for.

Some Terms

Ongoing

- ▶ Can be expected to recur year after year – like your salary.
- ▶ Ongoing revenue should be used for repeating bills – like your mortgage.
- ▶ Ongoing Revenue can be used for occasional expenses – like a vacation
- ▶ Ongoing Revenue comes from things like next year's sales taxes and income tax withholding.

One-time

- ▶ Is a windfall – like your \$1,200 (\$600? \$2,000?) stimulus check.
- ▶ One-time revenue should be used for occasional and discrete expenses – like a vacation.
- ▶ One-time revenue should not be used for ongoing expenses.
- ▶ One-time revenue comes from last year's surplus, changes to this year's estimates, or limited grants like CARES Act.

Some Terms

Formal Rainy-day Funds

- ▶ Formal savings accounts with tangible cash deposits established to address various risks and contingencies.
- ▶ Utah has five:
 - ▶ General Rainy-day Fund
 - ▶ Education Rainy-day Fund
 - ▶ Medicaid Rainy-day Fund
 - ▶ Disaster Recovery Fund
 - ▶ Wildland Fire Suppression Fund

“Working” Rainy-day Funds

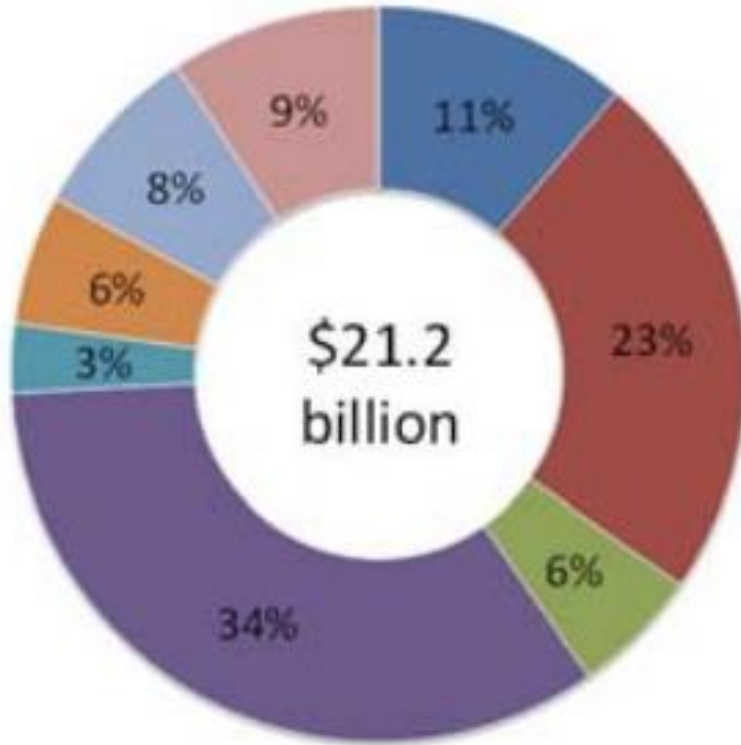
- ▶ Full cash payment for infrastructure like roads, water, and buildings.
- ▶ Typically ongoing, but can be one-time.
- ▶ Accompanied by like amount of borrowing capacity.
- ▶ In bad times, cash can be redirected to revenue gaps and back-filled with bonding.



Utah's Current Budget

(HOW ARE YOU STILL AWAKE?)

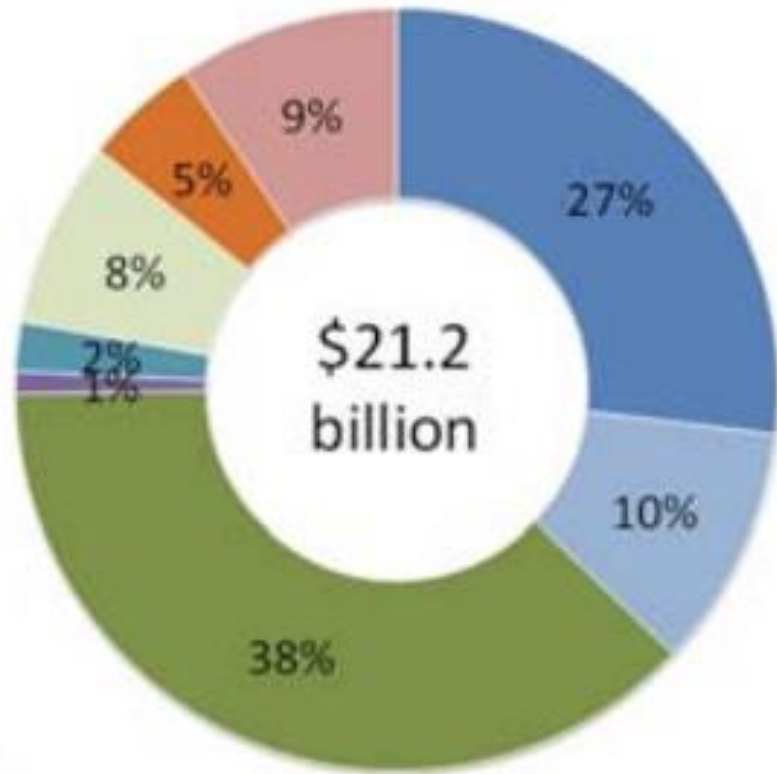
Where It Comes From: All Funds



- General Fund
- Local Education Revenue
- Transportation Fund
- Dedicated Credits
- Education Fund
- Federal Funds
- Transp. Investment Fund
- Other

Utah's FY21 All Sources Budget

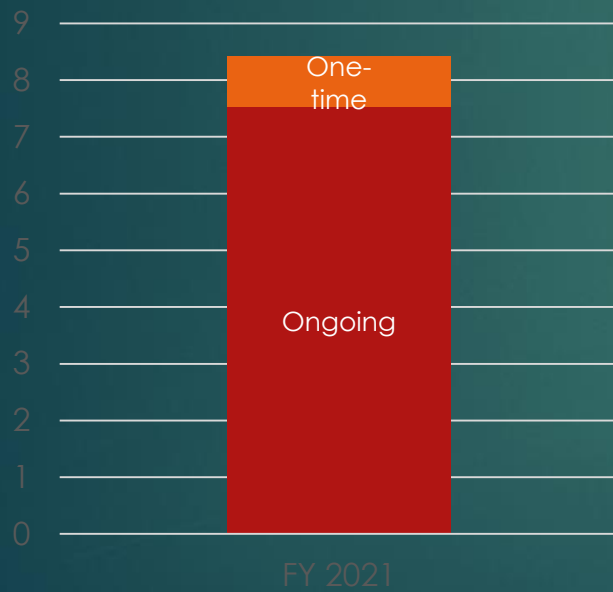
Where It Goes: All Funds



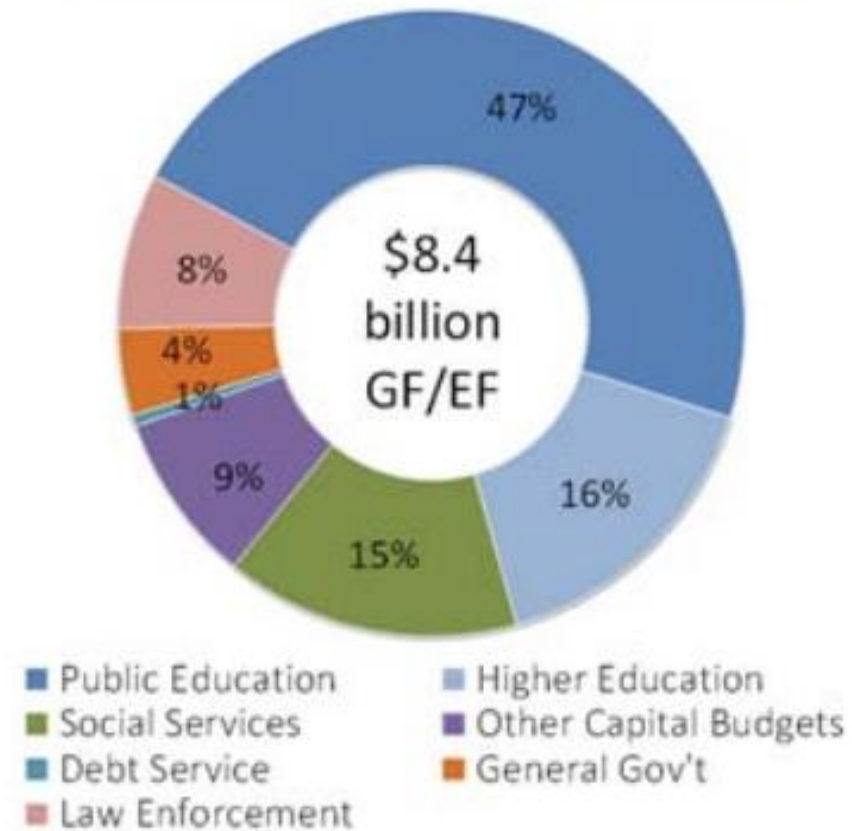
- Public Education
- Higher Education
- Social Services
- Capital Facilities
- Debt Service
- General Gov't
- Law Enforcement
- Transportation

Utah's FY21 All Sources Budget

Utah's FY21 GF/EF Budget

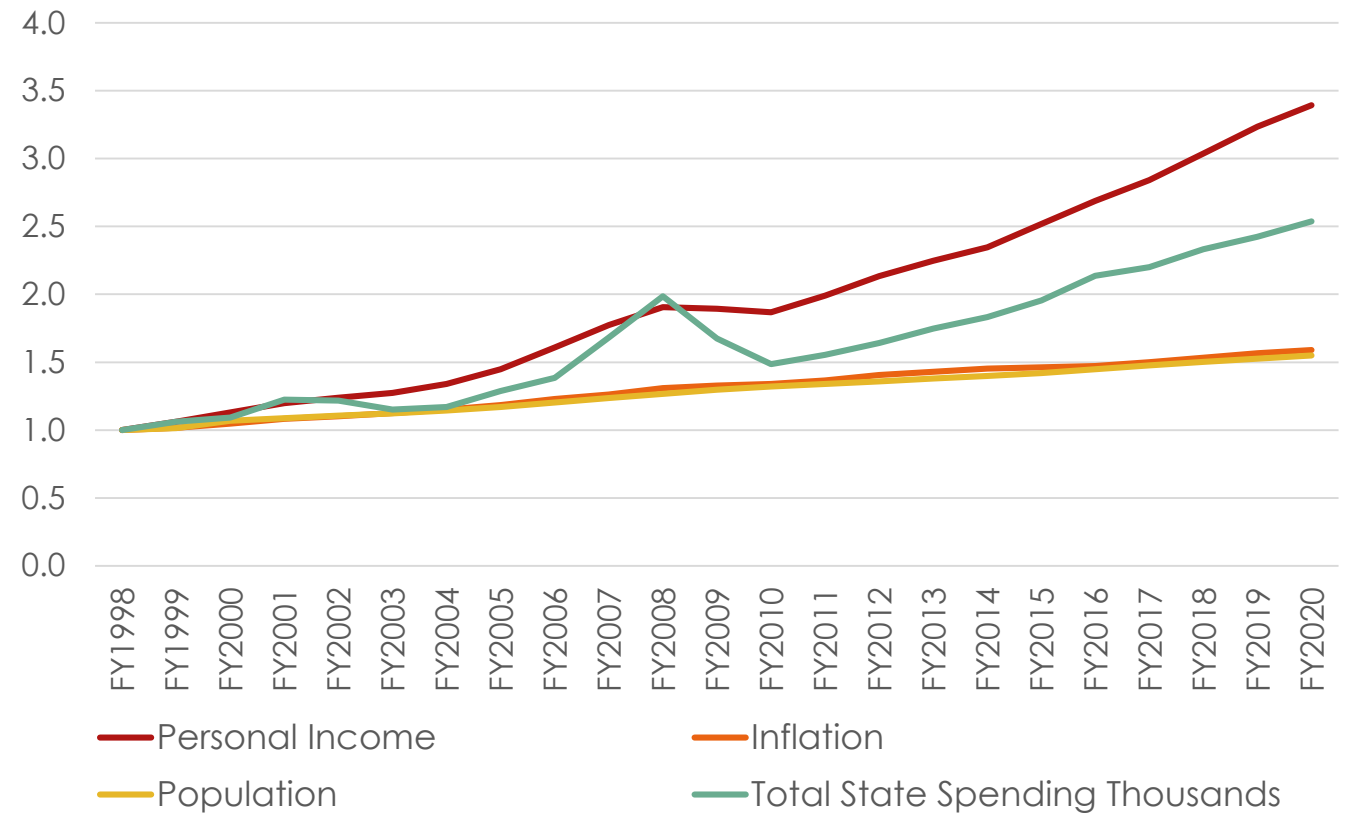


Where it Goes: State Funds Only

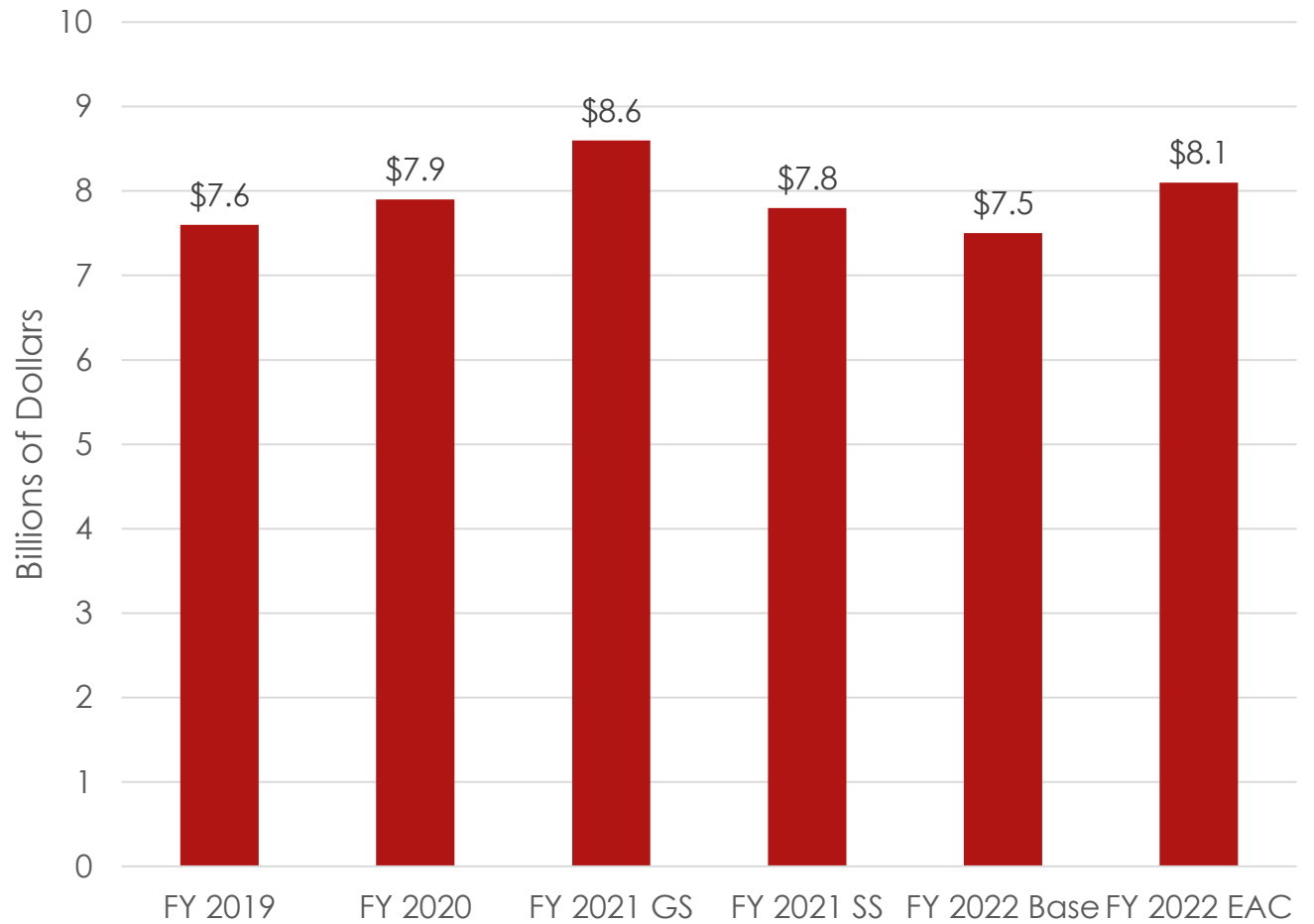


GF/EF – How It Has Changed Long-term

Growth in Inflation, Population, Personal Income, and State Spending



GF/EF Budget - How it Has Changed Short-term

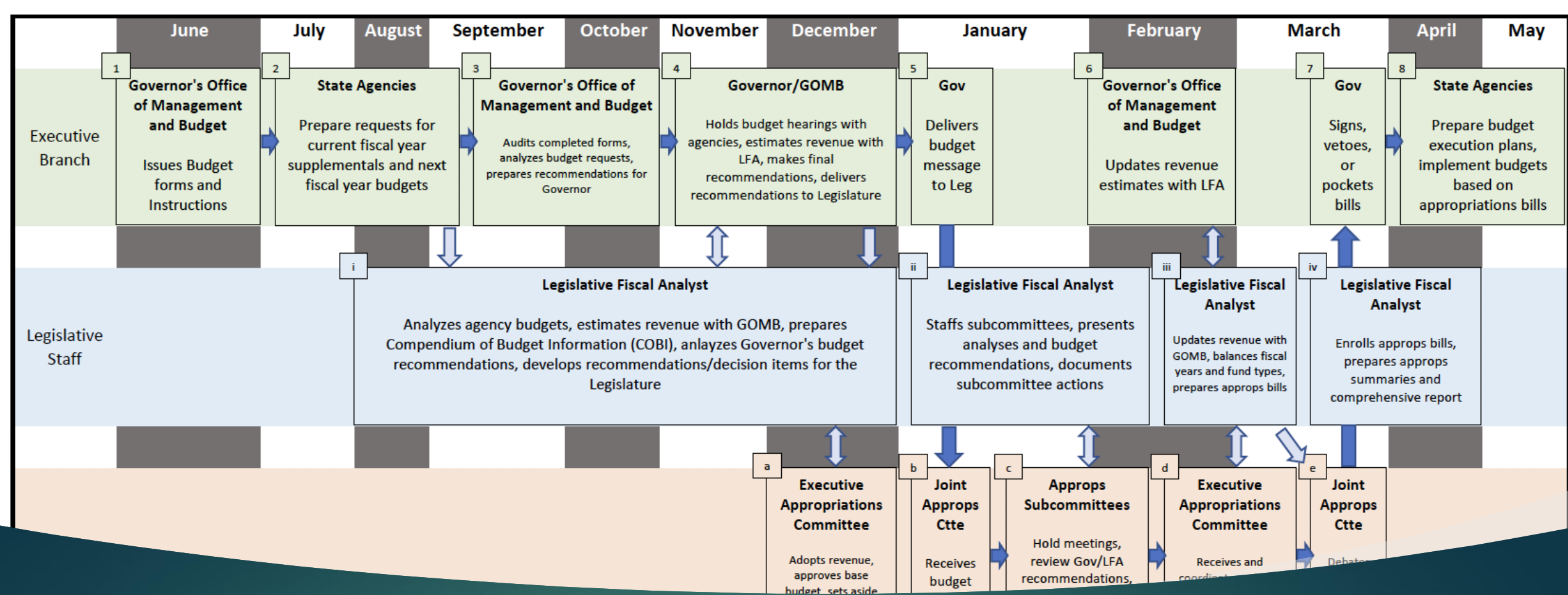


FY 2020 and 2021 adjusted for delayed income tax timing.



Process

(NOW WE'RE ON A ROLL.)



Annual Process (Hand-out)

Session Calendar (Hand-out)

- Changes include:
 - Early base budget consideration again this year
 - Morning subcommittee meetings in week 4
 - Adjustments to deadlines to conform with new start day

2021 G.S. Appropriations Schedule						
January 2021						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
17	18	19	20	21	22	23
		[Session Begins]	"A" Subcommittees	"B" Subcommittees	"A" Subcommittees	
	[MLK Day]	Base Bills Ready by floor time				
24	25	26	27	28	29	30
"B" Subcommittees	"A" Subcommittees	"B" Subcommittees	"A" Subcommittees	"B" Subcommittees		
Base bills introduced on the floor			Noon deadline to pass base budget bills	Noon deadline to submit RFAs w/o floor approval		
February 2021						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
31	1	2	3	4	5	6
"A" Subcommittees	"B" Subcommittees	"A" Subcommittees	"B" Subcommittees	"A" Subcommittees		
7	8	9	10	11	12	13
"B" Subcommittees	"A" Subcommittees	"B" Subcommittees		Subcommittee Reports to EAC	Subcommittee Reports to EAC	
14	15	16	17	18	19	20
Individual S/H Leadership Budget Meetings [Presidents' Day]			Joint Leadership Budget Meetings	Revised Revenues (approximate date)		
21	22	23	24	25	26	27
Joint Leadership Budget Meetings					Deadline for EAC to make budget decisions (pending rule chg)	
March 2021						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
28	1	2	3	4	5	
	Supplemental approps/bond bills ready by floor time (pending rule chg)		Deadline to prioritize FN bills; Deadline to act on approps/bond bills	Deadline to pass bills with FN of \$10,000+	Bill of bills ready by floor time, final action	[Session Adjourns]

EAC Chairs:
Sen. Stevenson
Rep. Last
Sen. Ipson
Rep. Moss

"A" Subcommittees:
BEDL - Rm 2110 STOB
IGG - Room E210
PED - Room E110
SS - Room W030

"B" Subcommittees:
EOCI - Rm 2110 STOB
HED - Room E110
NRAEQ - Room E210
SS - Room W030

BEDL:
Sen. McKell
Reps. Watkins/Teuscher

EOCI:
Sen. Owens
Reps. Hall / Acton

HED:
Sen. Grover
Reps. Miles / Ballard

IGG:
Sen. Cullimore
Reps. Sagers / Brammer


NRAEQ:
Sen. Hinkins
Reps. Barlow / Chev

PED:
Sen. Fillmore
Reps. Eliason / Waldrip

SS:
Sen. Anderegg
Reps. Ray / Ward

Request for Appropriations Public Website

- ▶ New page will show all RFAs requested by each legislator.
- ▶ Total requests by a legislator are summed.
- ▶ Links to COBI item description.
- ▶ (This example shows last year's data,)

<div>  <div>UTAH STATE LEGISLATURE</div> </div> <div> Legislators Bills Code Committees Audits Budget Research and Legal </div>			
Legislator Requests for Appropriation (2020 General Session)			
Fund:	Legislator:	* GF = General Fund * EF = Education Fund	
All	All		
Topic (Date approved)	Fund	One Time	On Going
Sen. Adams, J. S.			
UPSTART (Feb. 6, 2020)	EF	\$0	\$5,000,000
	Totals:	\$0	\$5,000,000
Rep. Albrecht, C.			
Central Utah Mountain Bike Trails Expansion (Feb. 6, 2020)	GF	\$100,000	\$0
Emery Town Pioneer Church Preservation (Feb. 3, 2020)	GF	\$250,000	\$0
Invasive Species Mitigation Account Funding Increase (Feb. 6, 2020)	GF	\$0	\$1,000,000
Rural Economic Development (Feb. 6, 2020)	GF	\$4,000,000	\$0
Rural Online Initiative (Feb. 3, 2020)	EF	\$0	\$879,932
Toilets are not Trash Cans- Wet Wipes/Pharmaceuticals Public Outreach (Feb. 6, 2020)	GF	\$150,000	\$0
	Totals:	\$4,500,000	\$1,879,932
Sen. Anderegg, J.			
Camp Floyd (Feb. 6, 2020)	GF	\$1,000,000	\$0
Civic Engagement (Feb. 7, 2020)	GF	\$25,000	\$0
Criminal Justice Data (Feb. 6, 2020)	GF	\$350,000	\$0
Dual Language Immersion (Feb. 6, 2020)	EF	\$0	\$477,100
Homeless shelter and Services Sharing (Feb. 6, 2020)	GF	\$1,500,000	\$0
Rapid DNA Funding (Feb. 6, 2020)	GF	\$0	\$5,000,000
SB39 Affordable Housing Amendments (Feb. 6, 2020)	EF	\$0	\$5,000,000
	GF	\$20,000,000	\$10,000,000
SB52 Agricultural Water Use Amendments (Feb. 6, 2020)	GF	\$750,000	\$0
SB69 Tax Credit for Educators (Feb. 6, 2020)	EF	\$0	\$32,000,000
SB83 Voter Registration Information (Feb. 6, 2020)	GF	\$150,000	\$0
SB84 Public Entity Water Users (Feb. 6, 2020)	GF	\$20,000	\$0
SB92 Statewide Comprehensive Rail Plan Funding (Feb. 6, 2020)	GF	\$2,100,000	\$0
Single User (Digital Citizen) Portal (Feb. 6, 2020)	GF	\$750,000	\$0



Economy, Risks, and New Revenue

(THAT'S RIGHT. I SAID "NEW REVENUE". NOW YOU'RE AWAKE!)

State of Utah's Economy

Downside Risk

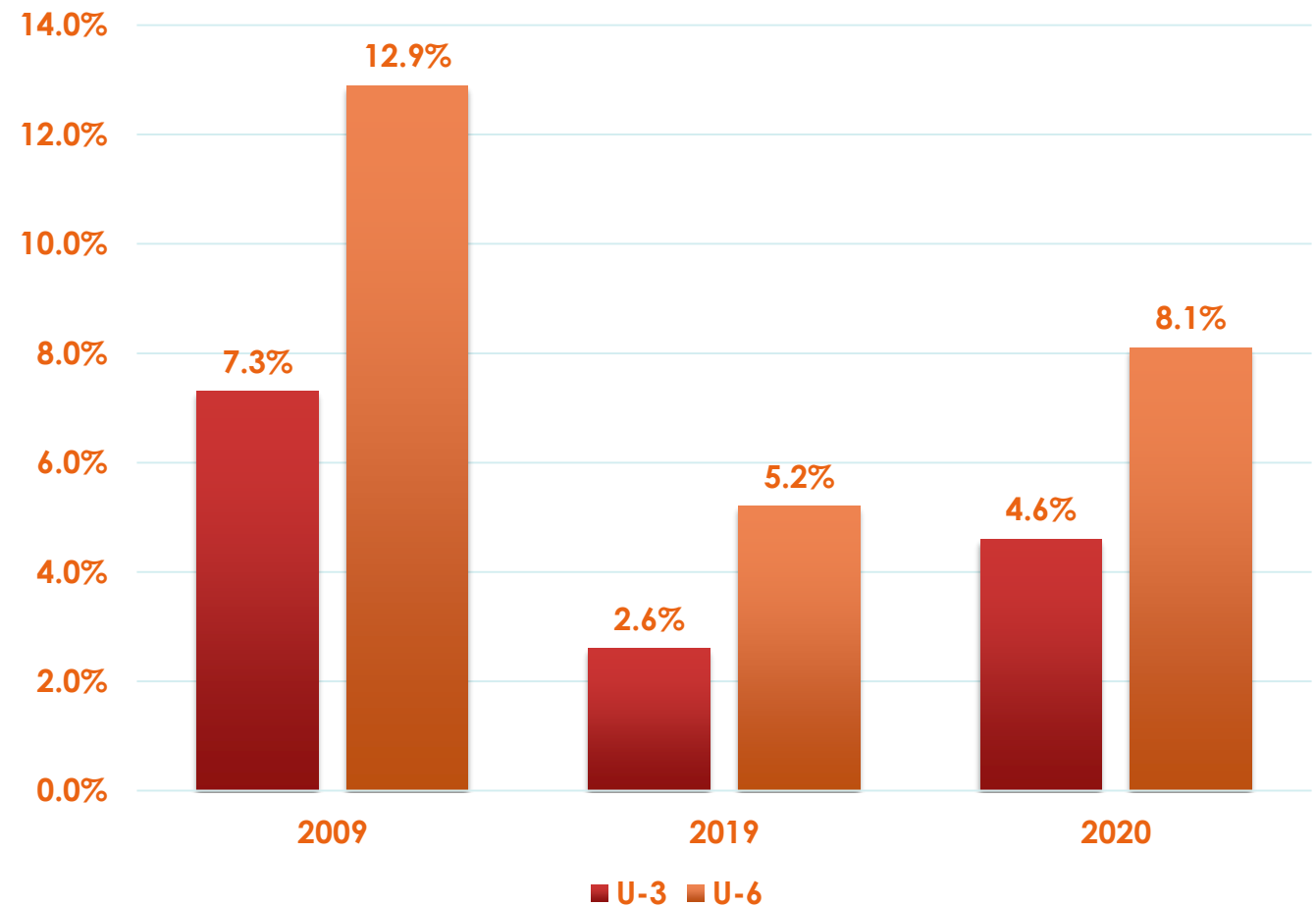
- ▶ Resurgence of virus
- ▶ Decreased consumer and business confidence
- ▶ Inflation

Upside Potential

- ▶ Wages and employment
- ▶ Federal stimulus
- ▶ Vaccine
- ▶ Pent-up demand in Q2 through Q4 of 2021

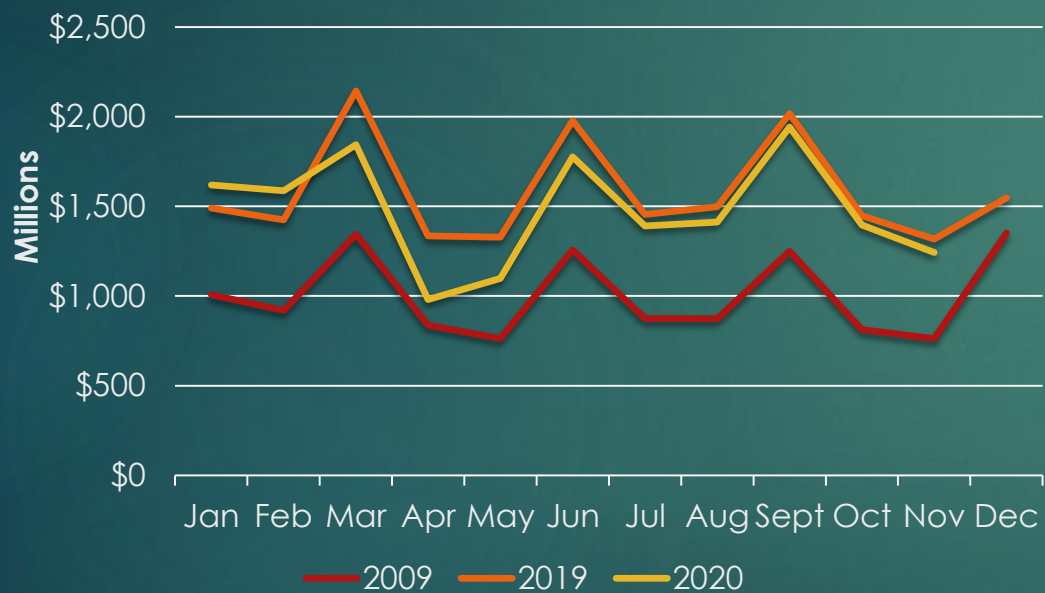
Utah Unemployment

- ▶ U-3 accounts for unemployed individuals actively seeking employment.
- ▶ U-6 accounts for those who are unemployed, underemployed, and discouraged workers.

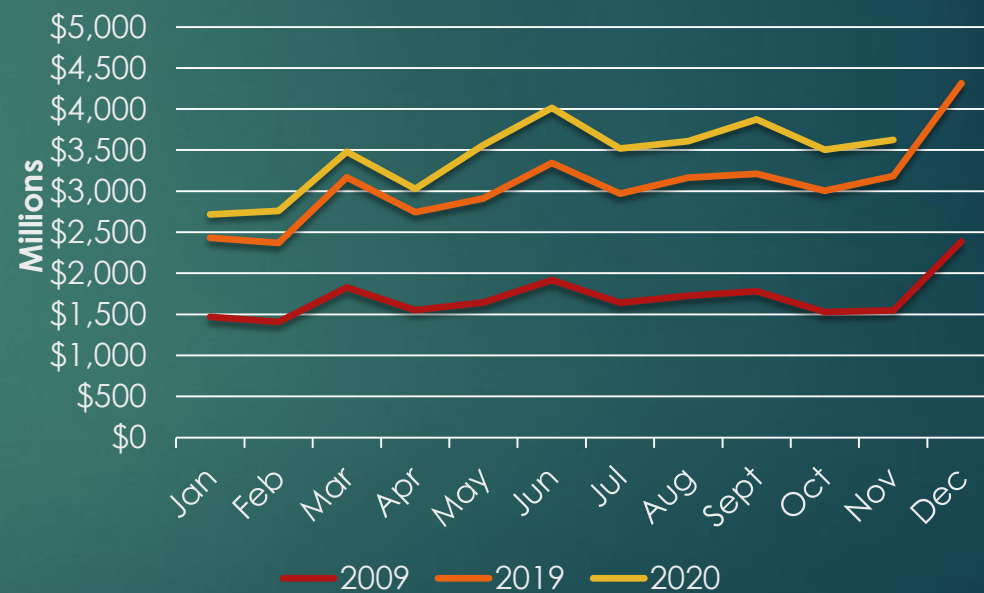


Taxable Sales By Sector

Taxable Services

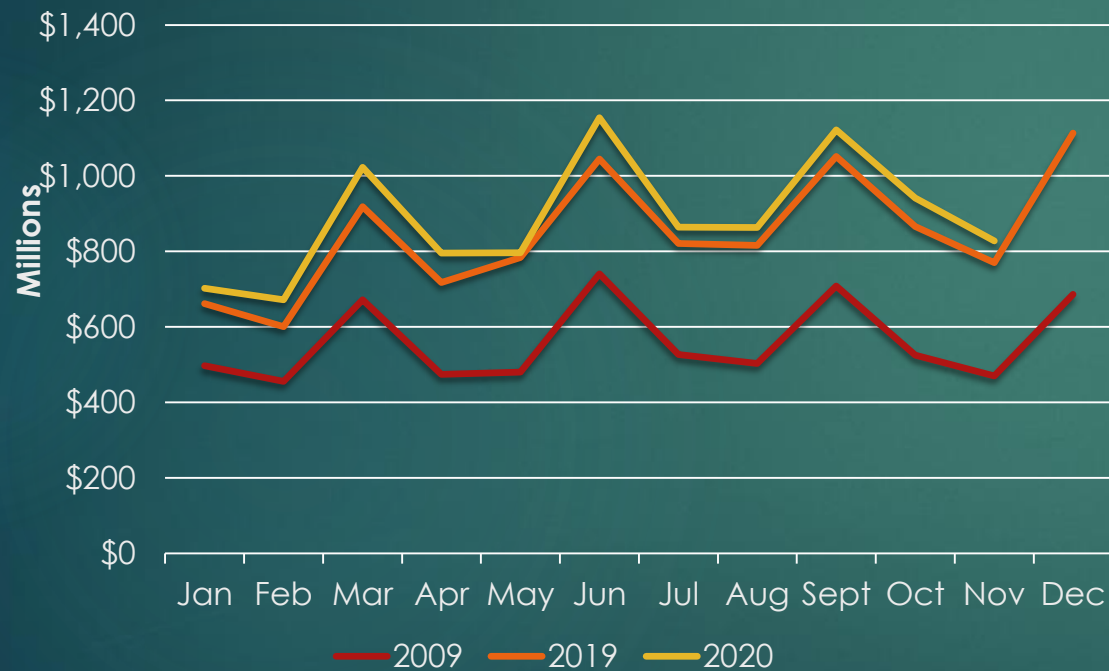


Taxable Retail Trade

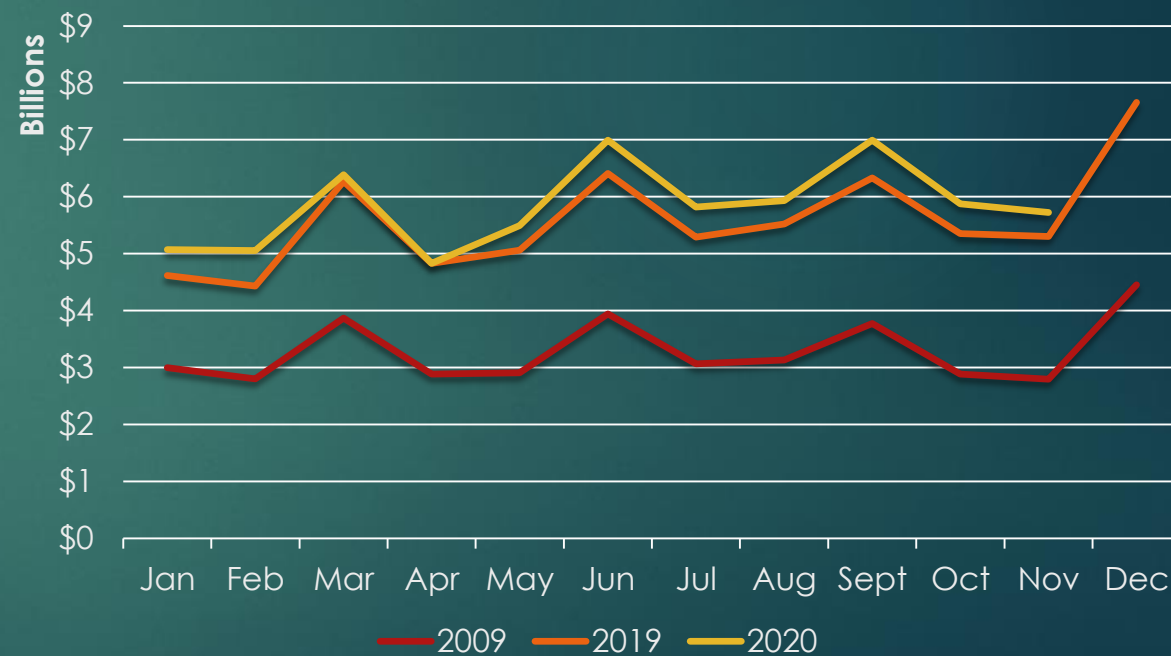


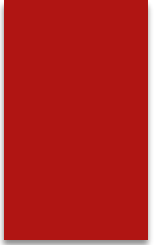
Taxable Sales By Sector

Taxable Business Investment



Total Taxable Sales





Federal Stimulus (in Millions)	Income	Sales	Total
Corona Virus Relief Fund (State and Local)	2	-	2
Education Stabilization Fund	1	-	1
Unemployment Insurance Enhancements	55	20	75
Lost Wages Assistance	2	1	3
Paycheck Protection Program	210	64	274
Federal Stimulus Payments	60	35	95
Total State Revenue	\$330	\$120	\$450

Federal Stimulus Impact on Utah's Revenues

Revenue Estimates

- ▶ GF/EF 1.5 percent growth from FY 2020 to FY 2021 *
- ▶ GF/EF 6.7 percent growth from FY 2021 to FY 2022*

*when adjusted for change in income tax filing deadline

Revenue Estimates -December 2020 (in thousands of dollars)

<i>a</i>	<i>b</i>	<i>c</i>
	FY 2021	FY 2022
	Revised	FY 2022
	Dec. '20	Dec. '20
1 General Fund	2,924,670	3,087,516
2 Education Fund*	6,016,170	5,618,168
3 Subtotal, GF/EF	8,940,840	8,705,684
4 Transportation Fund	639,450	667,823
5 Total GF/EF/TF	9,580,290	9,373,507

*Not adjusted for Economic Development Tax Increment Financing (EDTIF) set-asides.

Rainy Day Fund Balances

